

## SENATE BILL No. 337

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-18-2-16; IC 20-20.

**Synopsis:** Teaching innovations and classroom expenses. Requires the office of management and budget to develop a teacher innovation grant program that provides grants to teachers for the development of innovative ideas that are designed to improve student outcomes and that are scalable and replicable within a school or across a school corporation. Provides a \$4,000,000 state general fund appropriation to the teacher innovation fund to provide grants. Establishes a classroom expense program and fund to provide an annual advance to educators to pay for items that qualify for the federal income tax deduction for educator expenses.

**Effective:** July 1, 2014.

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**Miller Pete**

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January 14, 2014, read first time and referred to Committee on Appropriations.

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Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## SENATE BILL No. 337

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 20-18-2-16, AS AMENDED BY P.L.190-2013,  
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 16. (a) "School corporation", for purposes of this  
4 title (except IC 20-20-33, IC 20-26-1 through IC 20-26-5, IC 20-26-7,  
5 IC 20-28-11.5, IC 20-30-8, and IC 20-43), means a public school  
6 corporation established by Indiana law. The term includes a:  
7 (1) school city;  
8 (2) school town;  
9 (3) school township;  
10 (4) consolidated school corporation;  
11 (5) metropolitan school district;  
12 (6) township school corporation;  
13 (7) county school corporation;  
14 (8) united school corporation; or  
15 (9) community school corporation.  
16 (b) "School corporation", for purposes of IC 20-26-1 through



IC 20-26-5 and IC 20-26-7, has the meaning set forth in IC 20-26-2-4.

(c) "School corporation", for purposes of IC 20-20-33, **IC 20-20-41**, **IC 20-20-42**, IC 20-26-18, and IC 20-30-8, includes a charter school (as defined in IC 20-24-1-4).

(d) "School corporation", for purposes of IC 20-43, has the meaning set forth in IC 20-43-1-23.

(e) "School corporation", for purposes of IC 20-28-11.5, has the meaning set forth in IC 20-28-11.5-3.

SECTION 2. IC 20-20-41 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]:

**Chapter 41. Teacher Innovation Program**

**Sec. 1.** As used in this chapter, "OMB" refers to the office of management and budget established under IC 4-3-22.

**Sec. 2.** As used in this chapter, "program" refers to the teacher innovation program established by section 3 of this chapter.

**Sec. 3.** OMB shall establish, set requirements for, and administer a teacher innovation program. The state board, the education roundtable, and the department may assist OMB in developing and administering the program, as requested by OMB. The program must focus on the development of innovative ideas that are designed to improve student outcomes and that are scalable and replicable within a school or across a school corporation.

**Sec. 4. (a)** OMB shall use the program to provide grants to a teacher or a group of teachers employed by a school corporation who develop innovative ideas that are designed to improve student outcomes and that are scalable and replicable within a school or across a school corporation.

**(b)** The grants under the program shall be made from the teacher innovation fund established by section 8 of this chapter. The amounts necessary to make the grants under the program are appropriated from the teacher innovation fund.

**Sec. 5. (a)** OMB shall develop standards and guidelines for applicants for a grant under the program. OMB shall develop the qualitative measures to be used for purposes of awarding and scoring the success of grants made under the program.

**(b)** OMB shall establish the process that is used to determine which applicants receive grants and establish the terms and conditions associated with the grant made to a successful applicant, including the amount of the grant.

**Sec. 6. (a)** A teacher or a group of teachers employed by a school



corporation may apply for a grant from the program.

(b) An applicant for a grant must demonstrate how the innovative teaching idea will lead to improvement in meeting the benchmarks developed under this chapter.

Sec. 7. A grant recipient shall provide to OMB the information requested by OMB so that OMB can determine whether the benchmarks developed under this chapter are being achieved.

Sec. 8. (a) The teacher innovation fund is established to provide grants under this chapter. OMB shall administer the fund.

(b) There is appropriated to the fund from the state general fund four million dollars (\$4,000,000) on July 1, 2014.

(c) Money in the fund:

(1) is continually appropriated to OMB;

(2) may be used only for making grants under this chapter and not for any administrative expenses of OMB; and

(3) does not revert to the state general fund at the end of a state fiscal year.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

SECTION 3. IC 20-20-42 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]:

#### **Chapter 42. Classroom Expense Program**

Sec. 1. As used in this chapter, "educator" means a licensed teacher employed by a school corporation on or before September 1 of each year whose full-time responsibility is the classroom instruction of students in kindergarten through grade 12.

Sec. 2. As used in this chapter, "OMB" refers to the office of management and budget established under IC 4-3-22.

Sec. 3. As used in this chapter, "program" refers to the classroom expense program established by section 4 of this chapter.

Sec. 4. (a) The classroom expense program is established to make annual advances to educators to purchase, on behalf of the school corporation, items that qualify for the educator expense deduction under Internal Revenue Code Section 62(a)(2)(D).

(b) The program must be used to provide money to supplement, not replace, the money otherwise being used for these items.

Sec. 5. (a) The classroom expense fund is established to provide money to make annual advances under the program.



1 (b) OMB shall administer the fund.

2 (c) The fund consists of amounts appropriated to the fund.

3 (d) Money in the fund:

4 (1) is continually appropriated to the office of management  
5 and budget;

6 (2) may be used only for making advances under the program  
7 and not for any administrative expenses of OMB; and

8 (3) does not revert to the state general fund at the end of a  
9 state fiscal year.

10 (e) The treasurer of state shall invest the money in the fund not  
11 currently needed to meet the obligations of the fund in the same  
12 manner as other public money may be invested. Interest that  
13 accrues from these investments shall be deposited in the fund.

14 Sec. 6. (a) Subject to the amount appropriated to the fund, OMB  
15 may determine the total amount that may be distributed for  
16 advances in a state fiscal year. The total amount shall be based on  
17 an identical advance amount for each full-time educator, which  
18 may be pro rated for an educator who is not a full-time educator.  
19 Based on the number of educators qualifying for an advance at  
20 each school corporation, OMB shall determine the amount to be  
21 distributed to each school corporation and make distributions to all  
22 school corporations before July 15 of each year. A school  
23 corporation shall establish a separate account to deposit the  
24 distribution. The school corporation shall determine an identical  
25 amount for purposes of making an advance to each of its educators.  
26 The advance amount may be pro rated for an educator who is not  
27 a full-time educator.

28 (b) The school corporation shall determine the arrangement for  
29 making the advances and is responsible for accounting for the  
30 expenditures made by each of its educators. The arrangement may  
31 include direct deposit, a check, a debit card, or a purchasing card.  
32 However, if a debit card is used, an identifier must be placed on the  
33 front of the debit card that clearly indicates that the card has been  
34 issued for the classroom expense fund. A school corporation shall  
35 use an arrangement that will satisfy the requirements of an  
36 accountable plan under the Internal Revenue Code. The state  
37 board of accounts shall audit the disbursement and use of  
38 advances.

39 (c) The school corporation shall provide each educator with the  
40 educator's annual advance before September 1 of each year. An  
41 educator may decline receipt of or return the advance without  
42 explanation or cause.



1       (d) Advances and expenditures under the program are not  
2       subject to state or local purchasing requirements. Advances  
3       received by an educator do not affect wages, hours, or terms and  
4       conditions of employment and are not subject to collective  
5       bargaining.

6       Sec. 7. (a) Each educator must do the following to receive an  
7       annual advance from the program:

8           (1) Sign a statement developed by OMB acknowledging  
9           receipt of an advance under this program.

10          (2) Return any unused payments to the school corporation at  
11          the end of the regular school year.

12       (b) Any unused advances that are returned to the school  
13       corporation shall be returned to the state as directed by OMB.

